



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 30, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN AT&T'S ACQUISITION OF DOBSON COMMUNICATIONS

Sale of Assets Will Help Preserve Competition for Rural Consumers of Mobile Wireless Services in Kentucky, Missouri, Oklahoma, Pennsylvania and Texas

WASHINGTON — The Department of Justice announced today that it has reached a settlement requiring AT&T Inc. (AT&T) to divest assets to address competition concerns in seven markets in Kentucky, Oklahoma, Missouri, Pennsylvania and Texas, including rights to the "Cellular One" brand in order to proceed with its \$2.8 billion acquisition of Dobson Communications Corporation (Dobson). The Department said that in certain areas the transaction, as originally proposed, would have resulted in higher prices, lower quality, and diminished investment in network improvements, and would have substantially lessened competition to the detriment of consumers of mobile wireless telecommunications services.

The Department's Antitrust Division filed a civil lawsuit today in U.S. District Court for the District of Columbia to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit.

"The required divestitures will preserve competition for residents in rural areas in Kentucky, Oklahoma, Missouri, Pennsylvania and Texas and ensure that these consumers continue to enjoy the benefits of competition, such as lower prices, and higher quality," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

The transaction is also subject to review by the Federal Communications Commission (FCC). The Department has coordinated with the FCC throughout its investigation.

The divestitures are required to assure continued competition in markets where the merger would otherwise result in a significant loss of competition. In three rural service areas (RSAs) in Kentucky and Oklahoma, AT&T and Dobson each hold one of the two cellular licenses and are the most significant competitors. In two RSAs in Missouri and Texas, AT&T has a minority equity interest in, and important control rights over, the primary wireless competitor to Dobson. According to the complaint, the proposed transaction would substantially reduce competition for mobile wireless telecommunications services in these five markets where

the businesses wholly or partially owned by Dobson and AT&T collectively serve more than 60 percent of subscribers. The proposed divestitures remedy the competitive problem caused by the otherwise overlapping ownership.

Similarly, the divestiture of the Cellular One brand and associated rights will ensure continued competition in two markets in Pennsylvania and Texas where a Cellular One licensee is the primary wireless competitor to AT&T. Without the divestiture, AT&T would have had the incentive and ability to harm competition by limiting and eliminating the Cellular One licensee's ability to use the brand effectively.

AT&T is the largest mobile wireless telecommunications services provider in the United States, measured by subscribers, offering service to more than 63 million subscribers in 50 states. In 2006, AT&T earned revenues of approximately \$37.5 billion in revenues from its mobile wireless telecommunication services. Dobson is the ninth largest mobile wireless telecommunications services provider to approximately 1.7 million subscribers in the United States, offering service in 17 states. In 2006, Dobson earned approximately \$1.3 billion in revenues. Dobson also owns Cellular One Properties LLC, which licenses the Cellular One brand and promotes the Cellular One service market and related trademarks, service marks and designs.

As required by the Tunney Act, the proposed settlement will be published in *The Federal Register*, along with the Department's Competitive Impact Statement. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Nancy M. Goodman, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, United States Department of Justice, 1401 H Street, N.W., Suite 8000, Washington, D.C. 20530 202-514-5621.

At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed consent decree upon finding that it is in the public interest.

###